

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-03514A
Payson Water Company Inc.
P.O. Box 82218
Bakersfield, CA 93380

ANNUAL REPORT

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

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4-17-06
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COMPANY INFORMATION

Company Name (Business Name): Payson Water Company, Inc.

Mailing Address: P.O. Box 82218
(Street)

Bakersfield CA 93380
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: customerservice@gswater.com or mistiej@brookeutilities.com

Local Office Mailing Address: 1010 S. Stover Road

Payson Arizona 85541
(City) (State) (Zip)

928-474-8130 928-474-1695
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

MANAGEMENT INFORMATION

Management Contact: Robert T. Hardcastle President
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380
(Street) (City) (State) (Zip)

661-633-7526 781-823-3070
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: rth@brookeutilities.com

On Site Manager: Shaun Stouder
(Name)

1010 S. Stover Road Payson AZ 85541
(Street) (City) (State) (Zip)

928-474-8130 928-474-1695
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: shauns@brookeutilities.com

☒ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent: Robert T. Hardcastle
(Name)
P.O. Box 82218 Bakersfield CA 93380
(Street) (City) (State) (Zip)

661-633-7526 781-823-3070
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro with Fennemore Craig
(Name)
3003 N. Central Ave. Ste. 2600 Phoenix AZ 85012
(Street) (City) (State) (Zip)

602-916-5000 602-916-5566
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) | |

COUNTIES SERVED

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input checked="" type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME: PAYSON WATER COMPANY, INC**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization	300	239	61
302	Franchises			
303	Land and Land Rights	22,391	11,994	10,397
304	Structures and Improvements	194,352	119,844	74,508
307	Wells and Springs	340,366	205,698	134,668
311	Pumping Equipment	193,302	87,474	105,827
320	Water Treatment Equipment	13,264	4,169	9,095
330	Distribution Reservoirs and Standpipes	359,691	148,605	211,086
331	Transmission and Distribution Mains	597,066	345,853	251,213
333	Services	109,497	70,562	38,935
334	Meters and Meter Installations	235,854	81,588	154,266
335	Hydrants	1,589	426	1,163
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	409,889	255,002	154,887
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	6,793	1,494	5,299
346	Communication Equipment	7,778	452	7,326
347	Miscellaneous Equipment			
348	Other Tangible Plant	549	93	455
	TOTALS	2,492,682	1,333,497	1,159,184

This amount goes on the Balance Sheet Acct. No.108



COMPANY NAME: PAYSON WATER COMPANY, INC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	300	2.76%	8
302	Franchises			
303	Land and Land Rights	22,391	3.12%	699
304	Structures and Improvements	194,352	3.20%	6,218
307	Wells and Springs	340,366	3.19%	10,847
311	Pumping Equipment	181,515	3.22%	5,840
320	Water Treatment Equipment	13,203	3.06%	404
330	Distribution Reservoirs and Standpipes	359,691	3.12%	11,210
331	Transmission and Distribution Mains	597,066	3.14%	18,747
333	Services	109,497	3.14%	3,443
334	Meters and Meter Installations	224,364	3.18%	7,134
335	Hydrants	1,589	3.20%	51
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	409,889	3.20%	13,116
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	6,793	3.20%	217
346	Communication Equipment	7,778	3.00%	233
347	Miscellaneous Equipment			
348	Other Tangible Plant	495	3.20%	16
	TOTALS	2,469,289	3.17%	78,184

This amount goes on Comparative Statement of Income and Expense
Acct. No.403.

COMPANY NAME: PAYSON WATER COMPANY, INC**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	14,029	11,655
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	(730)	(730)
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 13,298	\$ 10,925
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2,469,289	\$ 2,492,681
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(1,255,313)	(1,333,497)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 1,213,976	\$ 1,159,184
	DEFERRED INCOME TAX DEBITS	\$ 516,000	\$ 516,000
	TOTAL ASSETS	\$ 1,743,274	\$ 1,686,109

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME: PAYSON WATER COMPANY, INC**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 5,593	\$ 7,108
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	123,926	20,623
235	Customer Deposits	33,318	40,657
236	Accrued Taxes	15,977	-
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	17,429	14,778
	TOTAL CURRENT LIABILITIES	\$ 196,243	\$ 83,165
	LONG-TERM DEBT (Over 12 Months)		
224	Long-term Notes and Bonds	\$ 11,558	\$ -
	Deferred Credits		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 78,434	\$ 89,627
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	883,744	883,744
272	Less: Amortization of Contributions	(386,664)	(414,944)
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 575,514	\$ 558,427
	TOTAL LIABILITIES	\$ 783,315	\$ 641,593
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 646,630	\$ 646,630
211	Paid In Capital in Excess of Par Value	364,385	364,385
215	Retained Earnings	(51,056)	33,502
218	Proprietary Capital (Sole Props & Partnerships)		
	TOTAL CAPITAL	\$ 959,959	\$ 1,044,517
	TOTAL LIABILITIES AND CAPITAL	\$ 1,743,274	\$ 1,686,109

COMPANY NAME: PAYSON WATER COMPANY, INC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 480,830	\$ 485,594
460	Unmetered Water Revenue		
474	Other Water Revenues	11,705	13,084
	TOTAL REVENUES	\$ 492,535	\$ 498,678
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 107,413	\$ 80,601
610	Purchased Water	22,833	11,523
615	Purchased Power	35,419	46,564
618	Chemicals	3,455	1,038
620	Repairs & Maintenance	-	16,552
621	Office Supplies and Expense		108
630	Outside Services	48,705	24,408
635	Water Testing	10,223	25,393
641	Rents	3,570	3,708
650	Transportation Expenses	633	756
657	Insurance - General Liability		
659	Insurance - Health and Life	9,217	9,762
666	Regulatory Commission Expense - Rate Case		45
675	Miscellaneous Expense	41,751	83,394
403	Depreciation Expense	77,545	49,904
408	Taxes Other Than Income	30,522	30,862
408.11	Property Taxes	27,527	27,527
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 418,813	\$ 412,146
	OPERATING INCOME/(LOSS)	\$ 73,722	\$ 86,532
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(4,281)	(1,975)
	TOTAL OTHER INCOME/EXPENSE	\$ (4,281)	\$ (1,975)
	NET INCOME/(LOSS)	\$ 69,441	\$ 84,557

COMPANY NAME: PAYSON WATER COMPANY, INC

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN # 1	LOAN # 2	LOAN # 3	LOAN # 4
Date Issued	5/1/2000			
Source of Loan	Brooke Utilities			
ACC Decision No.	see below (1)			
Reason for loan	see below (2)			
Dollar Amount Issued	\$ 130,600			
Amount Outstanding	\$ -			
Date of Maturity	4/30/2005			
Interest Rate	10%			
Current Year Interest	\$ 1,974			
Current Year Principal	\$ 115,582			

Meter Deposit Balance at Test Year End \$ 89,627

Meter Deposits Refunded During the Test Year \$ 13,437

(1) From C&S Water	ACC Decision # 62320	\$25,200
From United Utilities	ACC Decision # 62401	<u>\$105,400</u>
		\$130,600

(2) The purpose of the loan was to finance capital expenditure project to improve water system infrastructures.

COMPANY NAME: Payson Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION

Wells^A

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)^B	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-645162	5	72	50	12	2	1971	0.0016
55-086809	5	26.6	260	6	1	1981	0.0045
55-512278	5	1.2	260	12 1/4"	5/8 x 3/4	1985	0.0045
55-621332	1	9.8	80	8	5/8 x 3/4	1958	0.005
55-621335	1	0	40	8	5/8 x 3/4	1955	0.005
55-518599	2	13.4	100	6	1	1987	0.005
55-515318	2	18.6	150	6	5/8 x 3/4	1986	0.0025
55-631115	1	10	150	5	5/8 x 3/4	1950	0.0031
55-621336	1	6.5	160	6	5/8 x 3/4	1965	0.0013
55-644405	1	4.5	20	8	3/4 x 3/4	1965	0.002
55-631113	5	8.0	104	6	5/8 x 3/4	1977	<0.001
55-500270	3	5.2	450	6	5/8 x 3/4	1981	<0.001
55-801698	2	0	100	6	5/8 x 3/4	Unknown – prev. owner filed in 1984	<0.001
55-801699	1	6.4	80	6	5/8 x 3/4	Unknown – prev. owner filed in 1984	0.0017
55-631112	1	5.1	80	5	5/8 x 3/4	1973	0.0017
55-513409	3	7	395	6	5/8 x 3/4	1986	0.0011
55-566148	2	11	400	6	1	1996	<0.001
55-501381	No pump	0	105	6	None	1981	N/A
55-605247	2	22	60	8	1	1960	<0.001
55-519703	2	20	60	6	5/8 x 3/4	1987	<0.001
55-538696	No pump	0	300	6	2	1993	<0.001
55-548773	15	140	240	8 & 6	3	1995	<0.001
55-621333	1	15	85	6	1	1965	<0.001
55-621334	2	18	50	8	1	1960	<0.001

* Arizona Department of Water Resources Identification Number

Note A: Some data shown may be inconsistent with previous reports due to corrections pursuant to original well registration documents.

Note B: Some data as of 12/31/05

COMPANY NAME: Payson Water Company, Inc.

OTHER WATER SOURCES

Name or Description	Capacity (gpm)¹	Gallons Purchased or Obtained (in thousands)
Water Sharing Agreement: JO 04030	13	7,473
Water Sharing Agreement: ECC 04030	24	9,300
Water Hauling: from Payson Water systems to Payson Water Systems	N/A	0

Note 1. Capacity measurements as of 12/2005

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
0.5	2	24	none
2	12		
3	6		
5	1		
7.5	1		
10	1		
15	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
8,000	1	30 gallons	4
10,000	3	350 gallons	1
12,000	1	500 gallons	2
15,000	3	1,000 gallons	1
20,000	1	1,500 gallons	7
30,000	1	2,000	2
40,000	1	5,000	1
60,000	1		
125,000	1		
160,000	1		

COMPANY NAME: Payson Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
3/4	PVC	1,200
1.5	PVC	214
2	PVC	18,474
2	C900	1,200
2	Galv.	12,037
2	ABS	3,279
3	PVC	7,810
3	ABS	2,510
4	PVC	30,071
4	AC	79,529
4	C900	2,900
5	None	0
6	C900	10,440
6	PVC	10,880
6	AC	2,400
8	C900	6,360
8	DIP	240
8	PVC	1,240
10	None	0
12	None	0

CUSTOMER METERS*

Size (in inches)	Quantity
5/8 X 3/4	1,571
3/4	1
1	57
1 1/2	1
2	0
Comp. 3	2
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0
Total	1,631

For the following three items, list the utility owned assets in each category.

*** Total meters shown. See water use data sheet for active customers**

TREATMENT EQUIPMENT:

12-Pellet Chlorinators

3-sand filters

STRUCTURES:

3,271' of fencing

One (1) 16' x 24' building

One (1) 12' x 14' building

Seven (7) 8' x 8' concrete block buildings

One (1) 8'6" x 18'6" building

One (1) 16' x 30 building

OTHER:

Eight (8) 4' x 4' conservation signs with T-bar posts

Forty (40) colored number (1-5) signs for mounting on 4' x 4' conservation signs

COMPANY NAME: Payson Water Company, Inc. Mead's Ranch Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD¹ (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	66	128	61
FEBRUARY	66	-68	34
MARCH	66	33	27
APRIL	66	33	49
MAY	66	42	103
JUNE	66	59	126
JULY	66	95	139
AUGUST	66	69	91
SEPTEMBER	66	49	86
OCTOBER	66	126	98
NOVEMBER	66	183	46
DECEMBER	66	29	40
TOTAL		783	900

Notes:

¹ January 2005 consumption was estimated due to weather. The actual meter reads obtained in February 2005 resulted in the reversal of all gallons estimated but not used between December 2004 read and February 2005 read.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see page 10 **mg/l**
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc. : East Verde Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-026

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD¹ (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	139	353	273
FEBRUARY	140	543	245
MARCH	142	-173	231
APRIL	142	258	262
MAY	142	436	457
JUNE	143	472	492
JULY	144	453	479
AUGUST	143	550	539
SEPTEMBER	144	308	581
OCTOBER	144	443	581
NOVEMBER	144	433	252
DECEMBER	144	330	321
TOTAL		4,406	4,713

Notes:

¹ February 2005 consumption was estimated due to weather. The actual meter reads obtained in March 2005 resulted in the reversal of all gallons estimated but not used between January 2005 read and March 2005 read.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see page 10 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc. Flowing Springs Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

PWS 04-027

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD ¹ (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	27	147	90
FEBRUARY	27	-26	62
MARCH	27	53	82
APRIL	27	82	86
MAY	27	158	159
JUNE	27	267	53
JULY	27	167	420
AUGUST	27	124	161
SEPTEMBER	27	163	170
OCTOBER	27	141	211
NOVEMBER	27	132	66
DECEMBER	27	81	70
TOTAL		1,489	1,630

Notes:

¹ January 2005 consumption was estimated due to weather. The actual meter reads obtained in February 2005 resulted in the reversal of all gallons estimated but not used between December 2004 read and February 2005 read.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ___see page 10___ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-028

MONTH	NUMBER OF CUSTOMERS²	GALLONS SOLD¹ (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	71	266	121
FEBRUARY	71	-44	99
MARCH	71	101	91
APRIL	71	81	78
MAY	71	125	122
JUNE	71	189	278
JULY	71	189	185
AUGUST	71	144	158
SEPTEMBER	71	120	149
OCTOBER	71	126	199
NOVEMBER	71	69	75
DECEMBER	71	101	108
TOTAL		1,467	1,663

Notes:

- 1 January 2005 consumption was estimated due to weather. The actual meter reads obtained in February 2005 resulted in the reversal of all gallons estimated but not used between December 2004 read and February 2005 read.
- 2 Number of active customers shown, not meter connections.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. _____ see page 10 _____ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc. Mesa Del Caballo Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-030

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED¹ (Thousands)
JANUARY	358	1,356	275
FEBRUARY	359	1,403	153
MARCH	354	869	132
APRIL	354	1,346	186
MAY	358	1,799	285
JUNE	360	2,227	804
JULY	363	1,528	796
AUGUST	359	2,398	303
SEPTEMBER	363	2,136	478
OCTOBER	367	1,860	294
NOVEMBER	369	1,497	165
DECEMBER	368	1,369	887
TOTAL		19,788	4,759

Notes

¹ "Gallons pumped" are from Payson Water Co., Inc. wells. See page 11 for other water sources

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. __see page 10 _____ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc. Star Valley Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-037

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	136	1,589	1,583
FEBRUARY	137	1,277	927
MARCH	137	1,003	1,224
APRIL	134	1,232	1,365
MAY	135	2,214	3,497
JUNE	139	2,038	2,231
JULY	139	2,087	2,287
AUGUST	139	2,567	2,668
SEPTEMBER	138	2,160	2,205
OCTOBER	138	885	3,668
NOVEMBER	138	822	622
DECEMBER	138	529	1,502
TOTAL		18,403	23,779

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see page 10 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc. Whispering Pines Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-039

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD¹ (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	154	231	369
FEBRUARY	153	822	299
MARCH	153	-460	243
APRIL	153	313	350
MAY	154	397	569
JUNE	154	1,041	637
JULY	155	255	813
AUGUST	155	766	677
SEPTEMBER	155	1,050	536
OCTOBER	156	465	584
NOVEMBER	155	188	252
DECEMBER	156	298	363
TOTAL		5,365	5,692

Notes:

1. January 2005 & February 2005 consumption was estimated due to weather. The actual meter reads obtained in March 2005 resulted in the reversal of all gallons estimated but not used between December 2004 read and March 2005 read.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see page 10 **mg/l**
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc. Deer Creek Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-064

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	118	574	627
FEBRUARY	119	531	465
MARCH	119	459	471
APRIL	119	551	544
MAY	119	831	809
JUNE	119	920	858
JULY	119	934	859
AUGUST	120	679	609
SEPTEMBER	120	758	2,228
OCTOBER	120	807	1,920
NOVEMBER	121	693	571
DECEMBER	121	572	457
TOTAL		8,309	10,418

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. see page 10 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Company, Inc.: Gisela Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

PWS: 04-346

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	145	574	909
FEBRUARY	146	531	776
MARCH	145	459	658
APRIL	146	551	836
MAY	145	831	1,476
JUNE	147	920	1,917
JULY	146	934	1,070
AUGUST	146	679	1,676
SEPTEMBER	146	758	571
OCTOBER	150	856	Included with November
NOVEMBER	150	810	1,074
DECEMBER	149	662	1,045
TOTAL		8,565	12,008

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see page 10 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Payson Water Co., Inc. **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ **42,528.23**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF **California**

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Kern
NAME (OWNER OR OFFICIAL) TITLE Robert T. Hardcastle
COMPANY NAME Payson Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

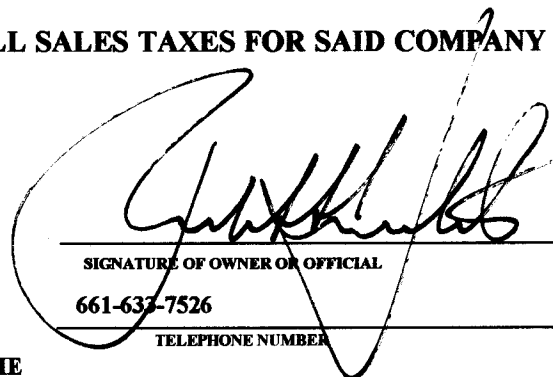
MONTH 12	DAY 31	YEAR 2005
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
661-637-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

COUNTY NAME Kern	
MONTH April	200 6

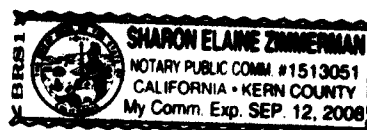
(SEAL)

MY COMMISSION EXPIRES

Sept 12, 2008



SIGNATURE OF NOTARY PUBLIC



COMPANY NAME: Payson Water Company, Inc.

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	56,734
Estimated or Actual Federal Tax Liability	\$	0
State Taxable Income Reported	\$	56,734
Estimated or Actual State Tax Liability	\$	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____

Amount of Gross-Up Tax Collected _____

Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-12-06

DATE

Robert T. Hardcastle

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

**VERIFICATION
STATE OF California
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)
Kern
NAME (OWNER OR OFFICIAL) TITLE
Robert T. Hardcastle
COMPANY NAME:
Payson Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 498,678

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 30,862
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th **DAY OF**

(SEAL)

MY COMMISSION EXPIRES Sept 12, 2008

SIGNATURE OF OWNER OR OFFICIAL
(661) 633-7526

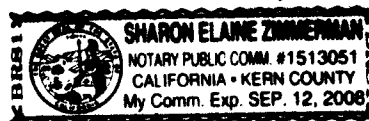
TELEPHONE NUMBER

COUNTY NAME

MONTH

COUNTY NAME	Kern
MONTH	April
YEAR	2006

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES 462,804.47
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 30,285.94
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

6616-633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

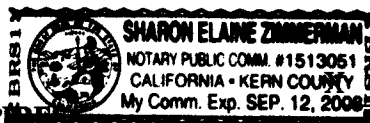
THIS

12th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



Sept 12, 2008

NOTARY PUBLIC NAME

Sharon Elaine Zimmerman

COUNTY NAME

Kern

MONTH

April

2006

SIGNATURE OF NOTARY PUBLIC

Sharon Elaine Zimmerman

19642

Payson Water Company, Inc.
6103

GILA COUNTY TREASURER

Apr 6 05

35860-2 Apr 6 05	3,421.48	0.00	3,421.48
35861-2 Apr 6 05	2,893.15	0.00	2,893.15
35862-2 Apr 6 05	1,090.78	0.00	1,090.78
35863-2 Apr 6 05	4,242.02	0.00	4,242.02
35864-2 Apr 6 05	464.80	0.00	464.80
35865-2 Apr 6 05	1,001.55	0.00	1,001.55
35866-2 Apr 6 05	649.53	0.00	649.53

NOT NEGOTIABLE

13,763.31

0.00

13,763.31

Payson Water Company, Inc.
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTON AVENUE
BAKERSFIELD, CA 93301

19642

CHECK NO.

16-66
1220

***** Thirteen Thousand Seven Hundred Sixty-Three and 31/100 *****

DATE
Apr 6 05

AMOUNT
\$13,763.31

PAY
TO THE
ORDER
OF

GILA COUNTY TREASURER
P.O. BOX 1093
GLOBE, AZ
85502



NOT NEGOTIABLE

⑈019642⑈ ⑆122000661⑆ 14769⑈01525⑈

TOTALS

584508

99788

684296

00

684296

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

20648

Payson Water Company, Inc
6103

GILA COUNTY TREASURER

Nov 17 05

36029 Oct 14 05	7,007.46	0.00	7,007.46
36030 Oct 14 05	6,119.88	0.00	6,119.88
36031 Oct 14 05	2,371.48	0.00	2,371.48
36032 Oct 14 05	8,842.38	0.00	8,842.38
36033 Oct 14 05	964.26	0.00	964.26
36034 Oct 14 05	2,062.62	0.00	2,062.62
36035 Oct 14 05	1,397.04	0.00	1,397.04

NOT NEGOTIABLE

28,765.12

0.00

28,765.12

Payson Water Company, Inc
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTON AVENUE
BAKERSFIELD, CA 93301

20648

CHECK NO.

16-86
1220

***** Twenty-Eight Thousand Seven Hundred Sixty-Five and 12/100 *****

DATE
Nov 17 05

AMOUNT
\$28,765.12

GILA COUNTY TREASURER
FRIS KNUCKEY-RALLS
P.O. BOX 1093
GLOBE, AZ 85502

PAY
TO THE
ORDER
OF

NOT NEGOTIABLE

⑈020648⑈ ⑆122000661⑆ 14769⑈01525⑈

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES